K-12 Funding (M&O, Capital and Other)

FY 2013 through FY 2022 est

JLBC Staff 8/31/2021

All Funding 1/

Source/ Item	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 est	FY 2022 est
Equalization Formula Only <u>2/</u> (state & local)	3,809,563,400	4,060,904,900	4,268,108,600	4,544,505,400	4,862,005,300	5,334,447,400	5,705,999,400	5,787,415,400	5,743,522,300	5,550,278,800	5,409,764,900	5,509,774,200	5,721,658,100	5,837,228,913	6,155,131,994	6,274,669,776	6,399,412,608	6,978,486,695	7,468,041,000	7,630,572,700	8,240,383,600
Funding per Student	4,339	4,459	4,577	4,715	4,882	5,229	5,481	5,531	5,471	5,297	5,142	5,193	5,335	5,381	5,619	5,695	5,769	6,270	6,660	7,048	7,283
Inflation Adjusted Funding per Student	5,453	5,484	5,541	5,604	5,650	5,869	5,971	5,868	5,694	5,470	5,249	5,193	5,235	5,189	5,320	5,341	5,354	5,711	5,925	6,160	6,289
State Only 3/ (equalization + non-formula, SFB, and misc)	3,083,916,300	3,538,885,300	3,540,455,700	3,812,075,200	4,317,540,900	4,797,463,500	5,200,654,300	4,674,761,500	4,463,725,800	4,118,868,200	4,055,154,600	4,134,270,200	4,458,083,600	4,551,774,113	4,961,232,679	5,069,186,265	5,333,439,100	5,887,268,989	6,462,650,700	6,526,768,600	7,481,485,500
Funding per Student	3,513	3,886	3,797	3,955	4,335	4,702	4,996	4,468	4,252	3,931	3,854	3,896	4,157	4,196	4,529	4,601	4,808	5,289	5,764	6,028	6,612
Inflation Adjusted Funding per Student	4,414	4,779	4,596	4,701	5,017	5,278	5,442	4,740	4,425	4,060	3,935	3,896	4,079	4,046	4,288	4,315	4,462	4,818	5,127	5,269	5,710
State & Local Only 4/ (equalization + non-formula, SFB, and misc)	6,220,451,200	6,692,657,300	6,722,449,100	7,149,715,500	7,667,598,300	8,614,407,700	8,932,579,600	8,576,430,500	8,016,125,900	8,132,845,600	7,895,860,800	8,109,640,500	8,430,688,700	8,628,028,400	8,975,568,600	8,999,792,900	9,450,532,900	10,274,200,600	10,846,508,600	11,189,968,200	12,280,239,300
Funding per Student	7,085	7,350	7,209	7,419	7,699	8,444	8,580	8,197	7,636	7,761	7,505	7,643	7,861	7,954	8,194	8,169	8,519	9,230	9,674	10,336	10,854
Inflation Adjusted Funding per Student	8,904	9,038	8,727	8,817	8,910	9,477	9,347	8,696	7,947	8,016	7,662	7,643	7,713	7,669	7,757	7,661	7,906	8,408	8,605	9,033	9,373
State, Local and Federal 5/ (equalization + non-formula, SFB, and misc)	6,742,412,200	7,594,983,000	7,709,180,400	8,212,245,900	8,816,254,600	9,628,347,200	9,967,624,300	9,691,607,100	9,803,450,200	9,689,254,900	9,180,176,900	9,384,923,500	9,627,815,600	9,897,557,500	10,277,520,400	10,307,279,100	10,761,460,427	11,671,589,068	12,240,545,900	14,301,044,000	16,209,143,500
Funding per Student	7,680	8,340	8,268	8,521	8,852	9,438	9,574	9,263	9,339	9,247	8,726	8,845	8,977	9,124	9,382	9,356	9,701	10,486	10,917	13,209	14,326
Inflation Adjusted Funding per Student	9,651	10,256	10,009	10,127	10,245	10,592	10,430	9,827	9,719	9,550	8,908	8,845	8,808	8,798	8,883	8,774	9,003	9,552	9,711	11,545	12,371
Technical Assumptions:																					
ADM Pupil Count	877,928	910,627	932,445	963,747	995,942	1,020,222	1,041,062	1,046,319	1,049,732	1,047,864	1,052,087	1,061,059	1,072,451	1,084,796	1,095,430	1,101,691	1,109,368	1,113,078	1,121,257	1,082,665	1,131,430
Inflation Adjustment Factor 6/	1.257	1.230	1.211	1.188	1.157	1.122	1.089	1.061	1.041	1.033	1.021	1.000	0.981	0.964	0.947	0.938	0.928	0.911	0.890	0.874	0.864
Inflation Rate	2.2%	2.2%	1.6%	1.9%	2.7%	3.1%	3.0%	2.7%	1.9%	0.8%	1.2%	2.1%	1.9%	1.8%	1.9%	1.0%	1.0%	1.9%	2.4%	1.8%	1.2%

^{1/} Includes all funding reported in "Revenues Received by Source" tables in the Annual Report of the Superintendent of Public Instruction. They report K-12 revenues under 7 categories: 1) Maintenance and Operations (M&O), 2) Unrestricted Capital Outlay, 3) Classroom Site Fund (CSF) and Instructional Improvement Fund (IIF); 4) School Facilities; 5) Adjacent Ways; 6) Debt Service; and 7) Other. "Other" funding is from sources such as federal & state projects, food services, self-insurance, gifts and donations, auxiliary operations, and extracurricular activities. The corresponding "Non-Capital Funding Only" table includes only M&O, CSF and IIF, and "Other" funding. "State Only" section in this table also includes School Facilities Board (SFB) administrative and debt service funding.

^{2/} Includes all state and local monies that help fund the Basic State Aid formula, including Additional Teacher Salary Increa se monies and the State Equalization Tax Rate (SETR) for PY07-F99 (see next page for details).

^{3/} includes all state monies (GF, land trust, Prop 301 and miscellaneous) used by ADE and the School Facilities Board (SFB) for formula programs, and agency administration. Excludes Teacher Certification and Professional Development Revolving Fund monies because they are from teacher fees. Excludes ESA Account Fund to avoid GF doublecount. Figures have been adjusted to account for the impact of temporary factors that otherwise would distort long-term trends (see next page for details).

^{4/} Includes all "Local," "County" and State" (but not "Federal") monies reported by school districts and charter schools in the Superintendent's Annual Report for each year shown. Data on actual local funding for FY 2021 are not yet available. The table assumes that the \$4.576 B level of "Local" and "County" (combined) funding reported for FY 2020 will grow by 1.9% in FY 2021 and 2.9% FY 2022 based on estimated growth in QTR/SETR collections under the Basic State Aid formula and 2.1% annual growth in all other local revenues based on recent trends.

^{5/} Includes all "Local," "County," "State" and "Federal" monies reported by school districts and charter schools in the Super intendent's Annual Report for each year shown. Data on actual federal monies reported for FY 2021 and by an additional \$818 M for FY 2022 based on estimated distributions of federal relief funds to districts and charter schools from the Coronavirus Aid, Relief and Economy Security (CARES) Act, the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act of 2021.

^{6/ &}quot;Inflation Adjustment Factor" represents cumulative inflation, whereas the "Inflation Rate" is above prior year only. Bo th reflect GDP deflator for second preceding calendar year pursuant to A.R.S. § 15-901.01 (e.g., rates applying to FY 2022 are CY 2020 actuals).

FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 est	FY 2022 est
2 285 949 200	2 251 864 800	2 588 311 700	2 720 094 300	2 923 165 700	3 691 289 000	3 489 910 000	3 217 869 400	2 835 861 400	3 000 228 100	3 030 490 900	3 095 511 100	3 250 195 500	3 344 869 413	3 469 735 594	3 538 072 915	3 597 183 200	4 066 093 300	4 457 116 100	4 370 220 000	5.070.424.000
																				309.832.400
																				2,451,960,000
					1,702,037,200	0	0													322,786,700
					86 280 500	79 090 400	95 990 500													150.380.500
	0-/000/-00	,,		0-,000,000	00/200/000		00/000/000	,,	00/200/000	00/-00/000	00,200,000	,,	00/200/000	00/200/000	00,000,000	00,000,000	00/00/000	0.0/=00/000	00/200/000	8.305.383.600
3,003,303,400	3,003,011,100	4,200,200,000	4,544,505,400	4,002,003,300	3,323,447,400	3,433,371,700	3,204,020,300	3,200,002,300	3,373,003,400	3,443,124,000	3,331,074,200	3,713,330,300	3,037,220,323	0,133,131,334	0,274,005,770	0,555,412,000	0,570,400,055	7,400,042,000	,,437,333,300	0,303,303,000
	191,293,800				(191,000,000)	272.627.700	262.609.800	350.000.000			(21.900.000)									(65,000,000)
	. , ,				, . , , ,	, , ,	. , ,	,			, ,,,								192.637.200	(,,
							260.185.300	(115.892.400)												
								521.067.300	42.643.500											
								-		35,000,000										
								(192.455.100)	20,794,000	(68,359,700)		7.719.600								
3.809.563.400	4.060.904.900	4.268.108.600	4,544,505,400	4.862.005.300	5,334,447,400	5.705.999.400	5.787.415.400	5.743.522.300	5.550,278,800	5,409,764,900	5,509,774,200	5.721.658.100	5.837.228.913	6.155.131.994	6.274.669.776	6.399.412.608	6.978.486.695	7.468.041.000	7.630.572.700	8.240.383.600
				,,,														, , . ,		
																				5,070,424,000
																				460,630,300
																				105,613,100
																				108,344,800
																				8,495,700
	70,263,000	59,761,100	46,509,100				45,220,700	16,269,400	25,497,100	46,475,500	46,475,500									309,832,400
166,750,000	-	-	-				-	-		-	-									171,654,000
		25,876,200					79,103,000	100,604,700	63,459,100	160,105,700	169,429,700	172,719,800	160,739,300	171,109,400	170,006,600	169,761,700	134,287,300	131,870,500	67,177,800	9,938,100
62,065,300	38,274,100		70,000,000	70,000,000	86,283,500	43,141,800														-
					-		7,000,000	2,667,900	2,667,900	14,167,900	2,667,900	16,667,900	15,128,600	31,667,900	31,667,900	43,835,800	76,085,800	107,458,800	146,259,000	107,500,000
(56,000,000)	15,000,000	(100,000,000)	100,000,000	20,000,000																-
-	300,000,000	247,100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-		-	-			-	-		-	23,900,000	500,000		-		-	-
1,591,800	1,547,100	1,574,500	5,606,500	1,643,700	1,744,600	4,322,300	1,610,800	1,422,400	1,309,900	1,283,500	1,652,100	1,587,100	1,629,600	1,451,100	1,461,900	1,634,800	1,607,700	1,577,300	1,771,100	1,717,400
205,453,600	298,461,400	265,305,200	296,182,500	379,860,300	447,839,800	500,932,700	332,716,300	270,460,100	252,281,000	283,543,800	293,860,300	406,722,200	389,287,000	434,123,400	442,466,241	518,674,500	576,654,100	591,313,600	585,143,300	977,025,600
29,892,600	43,334,600	65,070,000	83,457,200	95,888,700	102,780,500	95,590,400	102,480,500	117,460,600	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	166,880,500
	-	16,350,800	31,403,500	40,021,000	46,132,600	47,859,200	42,989,400	38,267,800	38,787,500	42,133,400	43,006,400	43,116,600	44,047,600	45,231,100	44,776,900	27,337,800	47,917,000	51,002,100	48,429,600	48,429,600
3,083,916,300	3,347,591,500	3,540,455,700	3,812,075,200	4,317,540,900	5,203,663,500	5,156,026,600	4,284,475,300	3,708,767,800	3,974,353,500	4,056,146,800	4,120,178,000	4,458,083,600	4,551,774,113	4,961,232,679	5,069,186,265	5,333,439,100	5,887,268,989	6,462,650,700	6,334,131,400	7,546,485,500
	191,293,800				(191,000,000)	272,627,700	330,886,200	350,000,000			(21,900,000)									(65,000,000
																			192,637,200	
-	-	-	-	-	(215,200,000)	(228,000,000)	(240,600,000)	-		-	-	-	-		-	-	-			
			-				300,000,000	(116,109,300)	-			-							-	
									42.643.500											
										35.000.000										
									(5.084.700)	(35.992.200)	35.992.200									
3.083.916.300	3,538,885,300	3,540,455,700	3.812.075.200	4.317.540.900	4,797,463,500	5.200.654.300	4.674.761.500	4.463.725.800	4.118.868.200	4.055.154.600	4,134,270,200	4.458.083.600	4,551,774,113	4.961.232.679	5.069.186.265	5.333.439.100	5.887.268.989	6.462.650.700	6.526.768.600	7.481.485.500
	2,285,949,200 230,896,400 24,228,600 48,078,100 12,747,700 72,263,000 62,065,300 (56,000,000) 	2,285,949,200	2,285,949,200 2,251,864,800 2,588,311,700 12,71,416,300 1,342,861,800 1,391,244,200 16,629,000 173,091,400 180,033,900 15,305,900 31,530,100 48,757,700 3,809,563,400 3,869,611,100 4,268,108,600 - 191,293,800	2,285,949,200 2,251,864,800 2,588,311,700 2,720,094,300 70,263,000 59,761,100 46,509,100 1,271,416,300 1,342,861,800 1,391,244,200 1,516,657,300 15,305,900 31,530,100 48,757,700 66,957,200 3,809,563,400 3,869,611,100 4,268,108,600 4,544,505,400 19,003,900 19,000,0	2,285,949,200	2,285,949,200 2,251,864,800 2,588,311,700 2,720,094,300 2,923,165,700 3,691,289,000 72,263,000 1,327,416,300 1,342,861,800 1,391,244,200 1,516,657,300 1,602,196,600 1,702,657,200 146,629,000 17,309,1400 180,033,900 194,287,500 203,714,700 0 1,702,657,200 15,305,900 31,530,100 48,757,700 66,957,200 82,633,300 86,280,500 15,305,900 31,530,100 48,757,700 66,957,200 82,633,300 5,525,447,400 191,000,000	2,285,949,200 2,251,864,800 2,588,311,700 2,720,094,300 2,923,165,700 3,691,289,000 3,489,910,000 72,263,000 70,263,000 59,761,100 46,99,100 50,285,000 45,220,700 45,220,700 12,71,416,300 13,42,861,800 1,391,244,200 1,516,657,300 1,602,196,600 1,702,657,200 1,819,150,600 164,622,000 31,530,100 48,757,700 66,957,200 223,714,700 0 86,280,500 79,090,400 15,305,900 31,530,100 48,757,700 66,957,200 82,633,300 55,25,447,400 5,433,371,700 191,000,000 1	2,285,949,200	2,285,949,200	2,285,949,200	2,285,949,200	2,285,949,200	2,285,948,200	2,285,949,200	2,285,940,000	2.255.849.00	225,444,000	2,255,48,500	2.25-2.66-4.00 2.52-3.66-4.00 2.52	2,75,546,000 2,75

 $\underline{1}\!\!/$ To offset the impact of temporary factors that otherwise would distort long-term trends.

2/ A positive number offsets the effects of a K-12 rollover for a fiscal year. The negative FY 2007, FY 2013, and FY 2022 numbers offset the impact of the one-time rollover "paybacks" that occurred during those years.

3/ Executive Order 2020-51 authorized school districts to operate Distance Learning programs during the 2020-2021 school year as a result of the COVID-19 pandemic. The order stipulated that such programs be treated as Arizona Online instruction (AOI) Programs for the purposes of Basic State Aid calculations, which resulted in a one-time (5)% reduction in Base Level funding for students enrolled in such programs.

4/ The final FY 2009 budget included a \$(300) M one-time deduction to be offset with local cash balances (ADE deducted \$260 M from Basic State Aid and \$40 M from the Homeowner's Rebate). The FY 2010 budget included a related \$116 M one-time increase.

5/ The FY 2010 and FY 2011 budgets used one-time federal monies from the American Recovery and Reinvestment Act (ARRA) to offset a portion of state K-12 formula costs for those years.

6/ Education Jobs Fund (Edulobs) figures assume that public schools used one-time federal Education Jobs Fund monies to offset an estimated \$107 M formula shortfall in FY 2011 and a \$35 M Capital Outlay Revenue Limit (CORL) reduction in FY 2012. Public schools received an additional \$66 M in "Edulobs" funding (\$208 M total) that also could have been used to offset formula reductions, but such offsets were not assumed in state budgets for the affected fiscal years.

1/2 Includes shifts of surplus funding between BSA & ASA to cover shortfalls in the other program for a given fiscal year and an adjustment to correct for the inadvertent use of FY 2012 surplus monies to cover FY 2013 ASA costs.

g/ Additional State Aid ("Homeowner's Rebate" plus "1% Cap") funding is not adjusted for statutory changes that have affected programs costs, such as reductions in the assessment ratio for business property and funding ASA on the QTR only.

9/ For FY 2007 through FY 2009 the state temporarily backfilled with General Fund monies the reduction in K-12 local property tax revenues associated with a 3-year suspension of the State Equalization Tax Rate (SETR).